LuxSE
Listing services for Sharia-compliant securities
Sukuk
a clear regulatory framework

Classifying Islamic financial instruments, including sukuk, under the existing regulatory frameworks has brought about challenges in many jurisdictions.

Sukuk issuers have recognized the attractiveness of the Luxembourg legal framework for Sukuk, and more generally Islamic Finance.

The current disclosure rules applicable to Islamic debt securities strengthen the legal certainty of “Sukuk” issuers, while ensuring adequate investor protection.

More specifically, provided that the payments of principal and the periodic revenues under the securities are guaranteed on a contractual basis by one or more underlying entities, Sukuk may be treated as “asset based” securities (guaranteed debt securities) rather than “asset-backed” ones.

LuxSE furthermore offers the access to international investors and more specifically investors from the Middle East with whom the country has strong ties.

Since the first Sukuk in 2002, LuxSE has listed 20 Sukuk from issuers originating from Malaysia, Pakistan, Saudi Arabia, the UAE, Bahrain, Qatar, South Africa, the USA, Hong Kong and Europe.

With a total amount of USD 9.5 bn listed, LuxSE is a leading listing venue for Sukuk in the Eurozone.

Latest Sukuk listings

Key figures

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<td>2002</td>
<td>1st European Exchange to list a Sukuk</td>
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<td>USD 9.5 bn</td>
<td>raised through Sukuk listed on LuxSE</td>
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Sharia-compliant investment funds

In 2016, 49 Sharia-compliant investment funds were domiciled in the Grand-Duchy of Luxembourg, making it the leading non-Muslim domicile.

Of these investment funds, 20 share classes are currently listed on LuxSE, from 2 major international investment companies, e.g. Amundi & Franklin Templeton.

Even though the percentage of Sharia-compliant investment funds is still very small, compared to the 5,600+ investment funds & ETFs currently listed on LuxSE, we expect this number to grow in the coming years.

Specific benefits of listing investment funds

- Gaining eligibility for institutional investors
- Benefiting from tax advantages (e.g. ETFs)
- Providing additional investor trust
- Increasing liquidity
- Enhancing fund profile
Luxembourg at the forefront of Islamic Finance

Luxembourg the leading European center for Islamic Finance

- Leading non-Muslim domicile for Sharia-compliant investment funds
- Prime cross-border hub for investment funds
- Key listing venue for Sukuk & Sharia-compliant investment funds
- Largest wealth management center in the Eurozone

Main Reasons for this favorable business climate

- Comprehensive & favorable tax regime
- Attractive & innovative legal framework
- A national regulator recognized in the Islamic Financial World
- Stable political & economic environment
- Confirmed AAA rating
- Strong relations with the Islamic world
- Financial environment dedicated to international clients
- 3rd largest Islamic fund domicile worldwide
- Multicultural & skilled workforce
Luxembourg Stock Exchange

Founded in 1928, LuxSE is the worldwide leader in the listing of international securities. With its first mover attitude, over the last 50 years LuxSE has actively contributed to the development of the international capital markets.

LuxSE has a strong culture of servicing international clients and addressing their specific needs. Thanks to its stringent but business-friendly admission process, LuxSE provides the highest transparency to investors.

By providing increased visibility to issuers, LuxSE is the gateway to access international investors. Issuers on LuxSE will benefit from the country’s vibrant and integrated financial ecosystem and proximity to a powerful network of international experts (e.g. law firms, banks, consulting firms, etc.).

A unique and integrated service offer

Effective answer to market needs
Efficient listing process (prospectus comments in less than 3 business days)
Indirect or direct prospectus submission
Wide range of securities and currencies
Competitive fee structure
Choice of 2 markets: Bourse de Luxembourg and Euro MTF

Top-notch trading platform
All listed securities are systematically admitted to trading (with open order book)
Euronext partnership:
• UTP (Universal Trading Platform): a state-of-the-art trading platform
• Cross-membership: free access to LuxSE markets for Euronext members and reciprocally

NEOSS:
a real-time monitoring and alert tool of non-executed orders improving order execution at competitive prices

Central counterparty:
LCH.Clearnet

Settlement:
Clearstream and Euroclear

Comprehensive service that meets transparency and regulatory requirements
• Prospectus publication
• Financial news services (FNS)
• LuxSE website: easy access to centralised information

1st in the world for the listing of international securities

“Listed in Luxembourg”
a recognised label in international capital markets
50+ years of experience in listing international bonds
99% of all securities listed in less than 2 days
36,000+ listed and tradable securities
500+ MTN programs
50+ different currencies

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